

COMMISSION OF THE EUROPEAN COMMUNITIES

COM(89) 522 final

Brussels, 20 October 1989

Proposal for a

COUNCIL DECISION

concerning the provisional application of an Agreed Minute modifying
the Agreement between the European Economic Community and Hong Kong
on trade in textile products

(presented by the Commission)

EXPLANATORY MEMORANDUM

1. The attached Council proposal concerns the adjustment of the quotas for categories 4, 5, 7 and 83, agreed on with Hong Kong during the negotiations on the bilateral textile agreement, following the introduction of the Harmonized System.

2. It is proposed that the above-mentioned amendment to the bilateral agreement with Hong Kong on trade in textile products should be applied provisionally with effect from 1 January 1989.

3. The amendment is set out in the agreed minute initialled on 13 June following the consultations held with Hong Kong on this matter.

It involves increasing the quota for category 5 by a quantity negotiated on the basis of the trade recorded in 1988 for products newly incorporated in that category following the entry into force of the Harmonized System and reducing the quotas for categories 4, 7 and 83 by equivalent quantities.

4. The Council is requested to adopt a decision concerning the provisional application of the abovementioned amendment to the bilateral trade agreement with Hong Kong.

PROPOSAL FOR A COUNCIL DECISION
ON THE PROVISIONAL APPLICATION OF AN AGREED MINUTE
AMENDING THE AGREEMENT BETWEEN THE EUROPEAN ECONOMIC COMMUNITY
AND HONG KONG ON TRADE IN TEXTILE PRODUCTS

Consultations were held between the Community and Hong Kong on 13 June 1989 at Hong Kong's request, and it was agreed at these consultations that the quota adjustment agreed on during the renegotiation of the abovementioned agreement should be made.

The Commission has set out in this document the reasons justifying the amendment and requests the Council to adopt a decision on the provisional application of the amendment to the bilateral trade agreement with Hong Kong.

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1. When, in 1986, the bilateral multifibre textile agreements were renegotiated, certain quantitative limits were adjusted to allow for the classification changes made by the Community with a view to the introduction of the Harmonized System. Certain additional adjustments must be made following the entry into force of the Combined Nomenclature on 1 January 1988.
2. Since 1 January 1989, the quota for category 5 has covered certain products in categories 4, 7 and 83. In order to ensure the neutrality of the conversion from the CCT and Nimex to the Combined Nomenclature, categories 5, 4, 7 and 83 should be adjusted.
3. At Hong Kong's request, consultations were held in Brussels on 13 June in order to settle the matter.

With the Member States' help, the Commission agreed with Hong Kong to increase the category 5 quota and to reduce the category 4, 7 and 83 quotas by equivalent amounts negotiated on the basis of trade in 1988.

4. An agreed minute containing the above-mentioned amendments to be made to the bilateral agreement was initialled on 13 June 1989 (see Annex).

5. The Commission therefore proposes to the Council that it take a decision to apply provisionally the agreed minute initialled on 13 June 1989 amending the bilateral agreement on trade in textiles initialled by the Community and Hong Kong on 2 October 1986 pending the formal conclusion of the agreement and of the above-mentioned minute and subject to provisional application by Hong Kong on a reciprocal basis.

Proposal for a
COUNCIL DECISION

concerning the provisional application of an Agreed Minute modifying
the Agreement between the European Economic Community and Hong Kong
on trade in textile products

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

HAS DECIDED AS FOLLOWS:

Having regard to the Treaty establishing the European Economic Community, and in particular Article 113 thereof,

Having regard to the proposal from the Commission,

Whereas, pending the completion of the procedures necessary for its conclusion, the Agreement between the European Economic Community and Hong Kong on trade in textile products, initialled on 2 October 1986, has been provisionally applied since 1 January 1987 in accordance, for the Community's part, with Decision 88/213/EEC ⁽¹⁾;

Whereas that Agreement provides for the possibility of quantitative adjustments to the quotas for certain categories, in order to allow the introduction of the combined nomenclature;

5, 4, 7
and 83
Whereas following consultations between the Community and Hong Kong an Agreed Minute modifying the quotas of categories * products provided for in the Agreement was initialled on 13 June 1989;

Whereas pending the completion of the procedures necessary for the conclusion of the Agreement and the Agreed Minute, the Agreed Minute should be applied provisionally, provided that there is a reciprocal provisional application on the part of Hong Kong, with effect from 1 January 1989,

Article 1

Pending the completion of the procedures necessary for its conclusion, the Agreed Minute modifying the Agreement on trade in textile products between the European Economic Community and Hong Kong shall be applied provisionally in the Community, provided that there is reciprocal provisional application on the part of Hong Kong, with effect from 1 January 1989

The text of the Agreed Minute is attached to this Decision.

Article 2

The Commission is invited to seek the agreement of the Government of Hong Kong on the provisional application of the Agreed Minute referred to in Article 1 and to notify the Council thereof.

Done at Brussels,

For the Council

⁽¹⁾ OJ No L 97, 14. 4. 1988, p. 1.

AGREED MINUTE

A delegation of the Hong Kong Government and a delegation of the European Community met in Brussels on 13 June 1989 for consultations on problems arising from the adoption, following introduction of the Harmonised System, of clarification by the CCC that short knitted garments with ribbing at the bottom should be classified under Category 5, and the pursuant change adopted by the EC to classify these garments under Category. The consultations were conducted in accordance with Article 14(3) of the Agreement on Trade in Textile Products between Hong Kong and the Community initialled on 2 October 1986 in Brussels.

2. As a result of the consultations and having regard to the migration of short knitted garments with ribbing at the bottom from Categories 4, 7 and 83 to Category 5, the two parties agreed to add the following quantities to the quantitative limits for Category 5 established in Annex II of the said Agreement :

1989	108.000
1990	109.000
1991	110.000

3. It was further agreed that the regional shares for Category 5 for the year 1989 will be increased in consequence of the additional quantity for Category 5 referred to in paragraph 2 above by the following quantities :

Region	Additional Quantity in 1000 pieces
FRG	7
FRA	3
UK	94
IRE	4

En

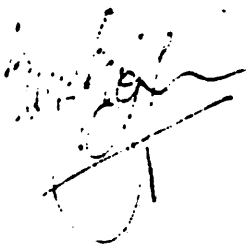
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4. As regards the regional shares for Categories 4, 7 and 83 for the year 1989, it was agreed that they will be decreased in consequence of the quantities to be deducted from Category 5 referred to in paragraph 3 above by the following quantities :

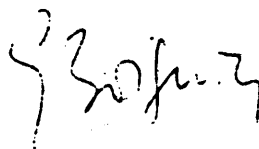
(1000 pieces)	FRG	FRA	UK	IRE
Cat. 4	4	-	34	4
Cat. 7	-	3	-	-
Cat. 83 (tonnes)	1	-	11	-

Brussels, 13 June 1989.

Delegation of the Hong Kong
Government



Delegation of the European
Economic Community



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DOCUMENTS

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